



STATE OF TENNESSEE

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FOR IMMEDIATE RELEASE

February 18, 2005

Lack of affordable housing a problem for Tennessee

NASHVILLE, Tenn. — Too many Tennesseans live in substandard conditions, according to a new report from the Comptroller's Office of Research entitled "A Place to Call Home: A Look at Housing in Tennessee."

Portions of two real estate-related taxes once provided housing grant funding to local governments and nonprofit organizations for low-income Tennesseans, but all state funding for housing was eliminated in 2000.

"Between 1989 and 1999, the Tennessee Housing Development Agency awarded over \$98 million in grants to cities, counties, and nonprofits, which assisted over 13,000 eligible households for a variety of projects," the report said. Researchers suggest legislators consider restoring housing funding.

The report recommends that the Tennessee Housing Development Agency reexamine the programmatic requirements of the state grant program if legislators restore funding to ensure the program continues to target changing housing needs.

The report also links affordable, stable housing to children's school performance. "Transient children are more likely to repeat grades, not receive needed special education, and not perform as well on standardized tests as stable students," the report said. In addition, 27,664 Tennessee households were without either complete kitchen or bathroom facilities in 2000.

The report found many Tennessee families cannot afford market rental rates and the need for rental assistance has outgrown program capacity. Some families wait up to two years for a voucher or spot in public housing.

Although the state's homeownership rate increased over the past 20 years, the report identifies a significant gap in the homeownership rate between white and black Tennesseans in the state's major population centers. The rise in homeownership also has been accompanied by a rise in foreclosure rates. The report recommends legislators consider taking action to reduce foreclosure rates by establishing a foreclosure prevention program.

The report ties predatory lending practices to higher foreclosure rates as well, suggesting legislators reduce predatory lending through legislation and a new secondary loan pool program.

"This report provides policymakers with ideas for improving affordable housing in Tennessee," said John Morgan, State Comptroller.

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The report is available on the Comptroller's Web site at www.comptroller.state.tn.us/orea/reports

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